



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

September 2, 2008

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT
COMPROMISE OFFERS OF SETTLEMENT**
(First and Second District) (3 Votes)

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

SUBJECT

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so. Since the compromises referenced below are not within the Director's authority, the Director is requesting Board approval of these compromises.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Interim Director of Health Services (Director) or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	MLK/D – Various	\$ 23,879
(2)	Account Number	H/UCLA – Various	\$ 7,250
(3)	Account Number	H/UCLA – Various	\$ 6,200
(4)	Account Number	MLK/D – Various	\$ 5,167
(5)	Account Number	H/UCLA – Various	\$ 5,000
(6)	Account Number	LAC+USC – Various	\$ 4,750

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlement involved in these cases.

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through leadership,
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The Honorable Board of Supervisors
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The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$52,246.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:lg (R:\LMARTINEZ\COMPROMISE\BOLDTR#68\LETTER)

Attachments (6)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: September 2, 2008

Total Charges	\$55,439	Account Number	4209265 & 4231280
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$55,439	Date of Service	Various
Compromise Amount Offered	\$23,879.24	% Of Charges	43%
Amount to be Written Off	31,559.76	Facility	MLK/D Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient and outpatient charges of \$55,439 for medical services rendered. The patient was denied Medi-Cal but qualified for the Ability-to-Pay (ATP) program with no liability. The patient's third party liability (TPL) claim settled for \$79,496, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$26,472	\$26,472	33%
Lawyer's Cost *			
MLK/D Medical Center **	\$55,439	\$23,879.24	30%
Other Lien Holders **	\$6,081	\$2,619.26	3%
Patient		\$26,525.50	34%
Total		\$79,496	100%

* The patient's attorney agreed to waive his costs.

** Lien holders are receiving 33% of the settlement (30% to MLK/D Medical Center and 3% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to MLK/D Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: September 2, 2008

Total Charges	\$42,036	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$42,036	Date of Service	Various
Compromise Amount Offered	\$7,250	% Of Charges	17%
Amount to be Written Off	\$34,786	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$42,036 for medical services rendered. The patient did not qualify for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$7,250	\$5,000	33.33%
Lawyer's Cost			
H/UCLA Medical Center	\$42,036	\$7,250	48.33%
Other Lien Holders			
Patient		\$2,750	18.34%
Total		\$15,000	100%

* The patient's attorney agreed to reduce his fees from \$7,250 (48%) to \$5,000 (33%).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: September 2, 2008

Total Charges	\$35,246	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$35,246	Date of Service	Various
Compromise Amount Offered	\$6,200	% Of Charges	18%
Amount to be Written Off	\$29,046	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$35,246 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$12,000	\$10,002.26	33%
Lawyer's Cost *	\$1,545		
H/UCLA Medical Center **	\$35,246	\$6,200	21%
Other Lien Holders **	\$68,382.99	\$4,897.74	16%
Patient		\$8,900	30%
Total		\$30,000	100%

* The patient's attorney agreed to waive his costs and reduce his fees from \$12,000 (40%) to \$10,002 (33%).

** Lien holders are receiving 37% of the settlement (21% to H/UCLA Medical Center and 16% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: September 2, 2008

Total Charges	\$43,340	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$43,340	Date of Service	Various
Compromise Amount Offered	\$5,167.32	% Of Charges	12%
Amount to be Written Off	\$38,172.68	Facility	MLK/D Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient and outpatient charges of \$43,340 for medical services rendered. The patient did not apply for Medi-Cal or any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,750	\$6,750	45%
Lawyer's Cost	\$1,952.04	\$1,952.04	13%
MLK/D Medical Center *	\$43,340	\$5,167.32	34%
Other Lien Holders *	\$9,483.30	\$1,130.64	8%
Patient			
Total		\$15,000	100%

* Lien holders are receiving 42% of the settlement (34% to MLK/D Medical Center and 8% to others).

Based on the DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to MLK/D Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: September 2, 2008

Total Charges	\$34,774	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$34,774	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	14%
Amount to be Written Off	\$29,774	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$34,774 for medical services rendered. The patient was a General Relief patient and qualified for ATP with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$7,500	\$6,000	40%
Lawyer's Cost	\$2,000	\$1,000	6.67%
H/UCLA Medical Center	\$34,774	\$5,000	33.33%
Other Lien Holders			
Patient		\$3,000	20%
Total		\$15,000	100%

* The attorney's fee is 40% since this case was litigated.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: September 2, 2008

Total Charges	\$141,336	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$141,336	Date of Service	Various
Compromise Amount Offered	\$4,750	% Of Charges	3%
Amount to be Written Off	\$136,586	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$141,336 for medical services rendered. The patient obtained an attorney and did not apply for any of Los Angeles County's low cost/no cost programs. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$5,000	\$4,750	32%
Lawyer's Cost	\$1,800	\$1,800	12%
LAC+USC Medical Center **	\$141,336	\$4,750	32%
Other Lien Holders **	\$1,127.25	\$250	1%
Patient		\$3,450	23%
Total		\$15,000	100%

* The patient's attorney agreed to reduce his fees from \$5,000 (33%) to \$4,750 (32%).

** Lien holders are receiving 33% of the settlement (32% to LAC+USC Medical Center and 1% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.